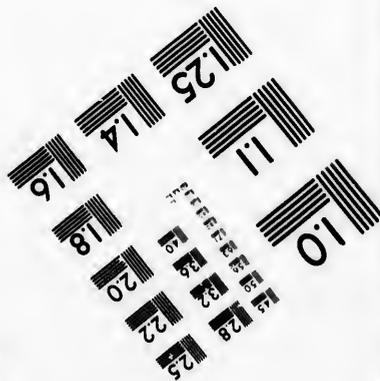
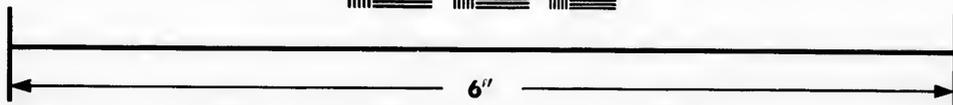
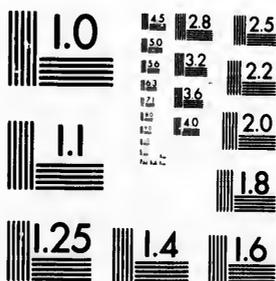


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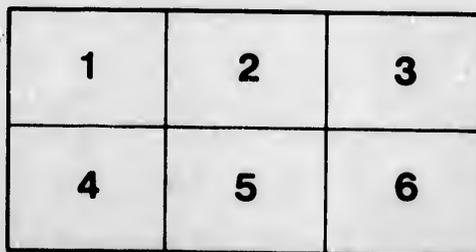
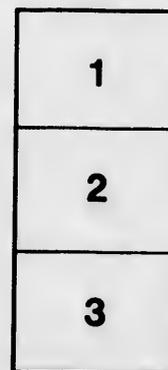
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TRADING COMPANIES.

BY JOHN H. FINLEY.

THE HUDSON BAY COMPANY.

IGNORANT of the value and extent of the Western Continent, over whose borders the explorer had but looked, and anxious to have a share in whatever it might promise, English sovereigns tempted settlement by vague and lavish grants of land, whose boundaries respected neither the claims of other countries nor the lines which modern geography has drawn. Most liberal of all the royal charters was that under which King

Charles the Second of England, in 1670, granted to a company known as "The Company of Adventurers of England trading into Hudson Bay" the sole trade and commerce of "all those seas, straits, bays, rivers, lakes, creeks, and sounds lying within the entrance to Hudson's Straits" and the absolute proprietorship of all the "lands, countries, and territories upon the coasts and confines" of these waters, that is, all the lands drained thereby.

This grant was made under the plea that the incorporators had "at their own great cost and charge undertaken an expedition for Hudson's Bay for the discovery of a new passage to the South Sea and for finding some trade for furs, minerals, and other considerable commodities," and with the alleged purpose of promoting these designs. In consideration of this liberality on the part of the Crown, it was stipulated that the Company should pay annually as a royalty "two elk and two black beavers," but only when the sovereign was within the territories granted. When, by subsequent charters, to these privileges was added the exclusive right to trade in the great unexplored region to the northwest, known as the "Indian Territory," and to colonize Vancouver's Island, the Company held absolute sway over a tract of territory, larger by one third than the whole area of Europe. The entire northern half of North America from the Atlantic to the Pacific was given unconditionally into the hands of a small corporation, under whose administration there developed a giant commercial monopoly, which continued free from governmental control down to the year 1869.

The territory so liberally granted by King Charles to the Company was recognized by European treaties of both earlier and subsequent dates as belonging to France, but this fact was not permitted to invalidate the charter. The French fur traders, who had for years carried on their traffic in this region, resented the intrusion of the English trader, but found themselves individually powerless in competition with the Company, and, with others opposed to its rule, they therefore formed a rival company, known as the "Northwestern Company of Montreal." With this organization open hostilities began which lasted for forty years, ending in the coalition of the two companies and the supreme control of the Hudson Bay Company.

The government by the Company was absolute and irresponsible. It was empowered to make laws, to impose penalties, to punish any English subjects entering its territory without the leave of the Company, to employ armed forces, to erect forts, towns, etc. The administration of the Company's affairs was by the charter of 1670 entrusted to a governor, deputy governor, and five directors, elected yearly by the stockholders in London. But the functions of this board were delega-

ted to an official resident in the Company's territory, known as Governor of Rupert's Land, who in the intervals of these sessions of his council, which occurred yearly, had full control. In this council there sat with him the chief factors and chief traders. The full corps of the Company comprised about three thousand men, clerks, voyagers, servants, officers and crews of vessels, all employed in the fur trade; for the Company gave to this traffic its entire attention. It made no effort to discover a way to the South Sea, nor to find trade for minerals and other "considerable commodities,"—duties imposed by its charter. In its absorbing and greedy interest in the fur traffic, it endeavored to keep the whole country in its primitive state of wildness as a preserve for the beaver, the fox, and the buffalo. It discouraged and resisted every attempt at exploration, settlement, and agriculture and made no attempt to humanize the native Indians, whom it practically enslaved and from whom it drew its enormous profits.

It is claimed in defense of the Company's administration that it prevented the extermination of the fur-bearing animals which indiscriminate trade would have brought about; that the country was poorly adapted to agriculture; that the Indians received humane treatment, and that the sale of liquors to them was prohibited. But whatever truth there may be in this defense, it must appear from a contrast of the development on the upper and the lower side of the line bounding the Company's possessions on the south, that its policy, viewed from any other standpoint than the interest of the Company, was narrow and obstructive. Settlement by Europeans in the domain of the Company menaced its monopoly and that was a sufficient reason for discouraging such settlement.

The reign of this Company was not an undisturbed one. At first it established its posts along the seacoast but gradually it penetrated the region westward, where it encountered the French trader. In its struggle with him and later with the British settler, who, after the cession of Canada by France to England, proved an annoying neighbor, the treasury was drained. The peace which followed the coalition brought prosperity, but the "harsh administration" and the "ruinous policy" of the Company finally invited complaints to the colonial secretary by settlers and natives.

As a result of these complaints and partly for the purpose of considering the renewal of the Vancouver and Indian Territory charters, a select committee of the House of Commons on the Hudson Bay Company, was appointed (1857). After inquiry extending through twenty sessions of the committee, it was recommended that the districts "best suited for communication and settlement" be annexed to Canada, the committee having specially in mind those along the Red River and the Saskatchewan; that the connection between Vancouver's Island and the Company be terminated; and that the Company be permitted to remain in possession of all other lands included within the definition of the first charter. More than ten years elapsed before a final adjustment was made. Meanwhile the enterprise and vigor manifested by the United States just across the border, especially in the building of transcontinental railways, brought out in stronger contrast the prohibitory policy of this great monopoly of the north. British colonization companies stood ready and anxious to avail themselves of any opportunities the government might offer. Jealousy was aroused by the settling of British emigrants in the United States and by the rumors of annexation of the Red River country to the latter country. The monopoly could no longer be safely tolerated and Parliament put an end to it by an act, passed in 1867, enabling the Queen to accept a surrender of the lands, privileges, and rights of the Company, on terms to be agreed upon, and directing the transfer of the territory and administration to the Dominion of Canada. The terms of capitulation were however not unfavorable to the Company. It was permitted to pursue its trade, to retain the fee of all its posts and stations with a small reservation at each, and one twentieth section of the "fertile belt," and was to receive from the Canadian government for its franchise three hundred thousand pounds.

Thus ended the semi-sovereign existence of the Hudson Bay Company covering a period of two hundred years, lacking one year. Across its immense territories, comprising four and a half millions of square miles, it had stretched chains of trading posts. The vast tract it had divided into departments, the departments into districts each with its depot-fort, and the districts into minor establishments with forts, posts, and outposts. It had brought into a state of slavish depen-

dence the Indians, especially of the northern districts, but had, it appears, done little to civilize them. It followed zealously the one object of its existence. It discouraged civilization among the natives as it opposed colonization by the Europeans because it believed this detrimental to its interests. There is little to challenge admiration in its history except the excellent organization which it maintained through all those years and which has even survived the revocation of its charter, for the Company exists to-day though shorn of its authority. The ice-bound fields of the north are still the domain of the hunter and the trapper, but there is no longer a "Governor of Rupert's Land." The valleys in the south have been opened to settlement, and by their productivity have proved false the representations of "The Last Great Monopoly," as it has been styled, which for two centuries held this vast tract as a mere preserve for peltry.

THE VIRGINIA COMPANY.

A century had passed since Sebastian Cabot, the English navigator, had explored the American coast, but England had not yet succeeded in gaining a foothold in the territory to which these explorations had given her a claim. The Roanoke colony on which had been build the hope of a Virginia nation had left no trace of its fate except the uncertain "Croatoan,"* and Sir Walter Raleigh its founder and the chief author of English colonization in America was in prison.

With the new century, however, arose new conditions, social, industrial, and commercial, which brought new forces to the aid of colonization. Chief among these was the mercantile spirit, the desire to increase trade, to which the successes of the Muscovy and East India Companies had given special encouragement. Moreover, industrial changes had thrown many out of employment, the disbanding of a part of the army had left hundreds anxious for new adventure, and oppression in the church was fostering discontent. And to all these—the merchant, the adventurer the oppressed—the New World from whose shores fresh and favorable reports had been brought, promised the gratification of their desires. But there was no one both willing and able to undertake alone the ex-

* See "The Leading Facts of American History," page 37.

pensive enterprise of establishing a colony, and there arose the trading companies by whose hands the foundations of many of the American commonwealths were laid.

Captain Gosnold, on his return from Northern Virginia in 1602, persuaded a number of men, foremost among whom are mentioned Wingfield, the merchant, Hunt, the minister, and Captain John Smith, the adventurer, to join him in an attempt to settle the delightful country; but unable to accomplish this end without further aid, he applied to certain lords, gentlemen, and merchants. By the zealous and valuable assistance of Hakluyt [hak'loot], the geographer, the project was so well advanced, that in 1606, Sir Thomas Gates, Sir George Somers, and other "firm and hearty lovers of colonization" petitioned the king for the privilege of "deducing a colony into that part of America commonly called Virginia." The king though not a willing patron of colonization granted the petitioners a patent of liberal bounds and a company known as "The Virginia Company" was formed under a charter of his own draughting.

This company was divided into two colonies or companies: the First Colony, the London Company, consisting of certain knights, gentlemen, and adventurers of London; the Second Colony, the Plymouth Company, consisting of certain knights, gentlemen, and adventurers of Bristol, Exeter, and Plymouth. The former was to plant a settlement between the 34th and 41st degrees of latitude, that is between the southern boundary of the North Carolina of to-day and the mouth of the Hudson River; the latter between the 38th and 45th degrees, that is north of the mouth of the Potomac and south of the Gulf of St. Lawrence; the overlapping three degrees being open to both companies under the condition that neither was to settle within one hundred miles of the other.

The supervision of both colonies was by the charter confided to one council resident in England. The Plymouth Company, however, was soon given a separate council, but as no permanent settlement was made by this Company under the Virginia Company charter, our concern is wholly with the London Company.

In the instrument under which the first permanent English colony in America was established, the first charter of King James, strangely enough there was not an element

of popular liberty or control. The charter violated rights which the English constitution accorded to English citizenship. The colonist was deprived of a voice in legislative matters; he was subject to ordinances of a commercial corporation, to the control of a resident council in whose election he had no part, to that of the superior council appointed by the Crown, and to the arbitrary legislation of the king. Nor had the colonist larger industrial freedom. The local organization was to be communistic. All produce was to be brought to a common magazine, and each settler to receive in return his necessaries, and a share in the profits of the undertaking. All trade was to be placed in the charge of the treasurer of the colony.

On December 19th, 1606, one hundred and forty-three colonists, in three vessels, set out from London for Virginia; on April 16, 1607, they entered Chesapeake Bay, and on the 13th of May, landed at a place on the James River, which they named Jamestown, and there began the settlement of the New World. A more unpromising body of persons could not have been collected for the purpose. Less than a score were laborers; most of them were "gentlemen," while among the artisans were "jewelers, gold refiners, and a perfumer." There were no women and no children. The first months were months of dissension and of misery. But for the industry and strong hand of Captain John Smith, the colony, it seems certain, would not have survived the disasters of 1607 and 1608. He brought the colonists under severe discipline, strengthened the fortifications, traded with the Indians, and explored and mapped the country. In 1609 he was obliged to return to England, but the colony had by this time gained a permanent foothold. In this same year a new charter was obtained, granting larger liberties to the Company, and this was followed by another in 1612, which conferred upon the Company still larger powers of self-government and added to its domain the Bermudas, or the Somers Islands.

Under this last charter and the efficient governorship of Sir Thomas Dale, the colony grew in strength and attracted a better class of immigrants. The abandonment of the old system of communal proprietorship and allotment of lands to individuals had also a part in stimulating the progress now witnessed. The colonists acquired a permanent interest

in the soil and became industrious and happy in the prospect of gain, which industry under the old system did not assure. Various manufactures were started but with poor or indifferent success. Tobacco was the staple product, but the Company found its returns neither swift nor ample, and the lottery was employed as a means of securing funds for their enterprises.

Dale, after a successful rule of five years, was succeeded by Argall, the sea captain, whose conduct soon obliged his removal, but unfortunately not until he had reduced the colony to a deplorable state. Meanwhile the Liberals had gotten the upper hand in the Company and obtained a new charter which gave to the colonists of Virginia political privileges of significance. Permission was given to hold a General Assembly, yearly, in which should sit, with the governor and council, representatives from each plantation elected by the inhabitants thereof, this Assembly "to have power to make and ordain whatsoever laws and orders should by them be thought good and profitable." The first session of this first representative Assembly in America was held in June, 1619, and from this time dates the true life of Virginia.

Although difficulties continued, the colony on the whole prospered and grew. Women were sent over as wives for the planters and the colonists fell to regarding Virginia as their home and their country. Measures were adopted for the establishment of a university and a college, and other signs of stability began to manifest themselves. The adventurous element was dying out, to be replaced by one more substantial. But along with this better class of emigrants the Company was

sending inmates of the Bridewell,* vagabonds and convicts, to be indentured as servants to the planters, a class whose descendants are found to-day all through the South as "poor whites." And the institution of slavery, too, secured a foothold with the establishment of political industrial freedom. In the year in which the Pilgrim Fathers landed at Plymouth, there were sold in Jamestown twenty African slaves, brought by a Dutch man-of-war.

With the coming of a new governor in 1622, the rights and privileges conferred under the charter of 1619 were confirmed to the colonists, but in 1624 the king, fearful of the liberal tendencies of the Company, which he characterized as a "seminary for a seditious Parliament," revoked the charter under the plea of bad management, and the colony passed from the control of a commercial company directly under the control of the Crown, retaining however the political rights guaranteed to the Company.

To this Company the country owes a great debt. It was composed at its dissolution, of a thousand stockholders and embraced the "flower of the kingdom." It had spent one hundred and fifty thousand pounds in the planting of Virginia, it had sent to it nine thousand colonists, and obtained for it a practically free and independent government. Its death was inevitable, but it came fortunately after the important ends of the company had been achieved.

* The name given to a house of correction for offenders. It was originally applied to a well which was dedicated to St. Bride in London. A hospital was founded on that site by Edward VI. and given to the city of London to be used as a workhouse and house of correction. It became a penitentiary for unruly apprentices and vagabonds.